

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	Chapter 11
)	
CORE SCIENTIFIC, INC., <i>et al.</i> ,)	Case No. 22-90341 (DRJ)
)	
Debtors. ¹)	(Jointly Administered)
)	
)	

JOINT STIPULATION AND AGREED ORDER

**(I) AUTHORIZING THE TENNESSEE VALLEY AUTHORITY TO RETAIN AND USE
THE CASH DEPOSIT MAINTAINED UNDER THE POWER CONTRACT AND
(II) GRANTING RELATED RELIEF**

This joint stipulation and agreed order (“**Stipulation and Agreed Order**”) is made and entered into by and among (1) Core Scientific, Inc. (“**Core Scientific**”) and the other debtors in possession in the above-captioned chapter 11 cases (the “**Debtors**”), and (2) Tennessee Valley Authority (“**TVA**”), a corporate agency and instrumentality of the United States of America, created by the TVA Act of 1933, as amended, 16 U.S.C. §§ 831-831ee. The Debtors, together with TVA, are collectively referred to herein as the “**Parties**.**”** The Parties hereby stipulate and agree as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisition I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

RECITALS

WHEREAS, Core Scientific entered into a power contract with TVA, effective on May 1, 2019 (“**Power Contract**”) for the purchase of electric power for Core Scientific’s facility located near Calvert City, Kentucky.

WHEREAS, pursuant to the terms of the Power Contract, Core Scientific makes weekly prepayments and maintains a cash deposit with TVA in an amount equal to the weekly prepayment (“**Cash Deposit**”).

WHEREAS, the Power Contract allows TVA to apply the Cash Deposit to cover any amounts for which the Power Contract provides and for which Core Scientific does not make payments, including, but not limited to, minimum bill obligations.

WHEREAS, the Power Contract allows TVA to ask for additional performance assurance, including a cash deposit, a letter of credit, a corporate guaranty, or other security acceptable to TVA, to cover risk outlined in the Power Contract.

WHEREAS, on December 21, 2022, the Debtors commenced these chapter 11 bankruptcy proceedings.

WHEREAS, on December 21, 2022, the Debtors filed the *Emergency Motion of Debtors For Entry of an Order (I) Approving Debtors’ Proposed Form of Adequate Assurance of Payment to Utility Companies; (II) Establishing Procedures for Resolving Objections by Utility Companies; (III) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Service, and (IV) Granting Related Relief*[Docket No. 8] (“**Emergency Motion**”). The Emergency Motion proposed that Debtors continue to prepay for utility services to prepaid providers, including TVA, in the ordinary course of business consistent with Debtors’ historical

practice prior to the petition. However, the Emergency Motion did not address prepaid providers' use of any cash deposits held as collateral prior to the petition date.

WHEREAS, on December 22, 2022, this Court issued the *Order Approving Debtors' Proposed Form of Adequate Assurance of Payment to Utility Companies; (II) Establishing Procedures for Resolving Objections by Utility Companies; (III) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Service, and (IV) Granting Related Relief* [Docket No. 119].

WHEREAS, Debtors have informed TVA that, in addition to continuing its pre-petition practice of making weekly prepayments for utility services, Debtors have no objection to TVA retaining Cash Deposit in accordance with the Power Contract.

THEREFORE, IT IS HEREBY STIPULATED AND AGREED, AND UPON APPROVAL BY THE COURT OF THIS STIPULATION AND AGREED ORDER, IT IS SO ORDERED as follows:

1. TVA may retain the Cash Deposit and use the Cash Deposit in accordance with the terms of the Power Contract.
2. All rights of the Debtors and TVA under the Power Contract are otherwise reserved.
3. Nothing contained in this Stipulation and Agreed Order or any actions taken by the Debtors or TVA pursuant to relief granted in this Stipulation and Agreed Order shall be construed as a waiver or limitation of the rights of the Debtors or TVA under the Bankruptcy Code or any other applicable law.
4. The Parties are authorized to take all actions necessary to effectuate the relief granted in this Stipulation and Agreed Order.

5. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Stipulation and Agreed Order to the maximum extent allowed by law under the applicable circumstances.

Houston, Texas

Dated: _____, 2023

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

AGREED TO THIS 20TH DAY OF JANUARY, 2023:

/s/ Alfredo R. Pérez

WEIL, GOTSHAL & MANGES LLP
Alfredo R. Pérez (15776275)
700 Louisiana Street, Suite 1700
Houston, Texas 77002
Telephone: (713) 546-5000
Facsimile: (713) 224-9511
Email: Alfredo.Perez@weil.com

and

WEIL, GOTSHAL & MANGES LLP
Ray C. Schrock (admitted pro hac vice)
Ronit J. Berkovich (admitted pro hac vice)
Moshe A. Fink (admitted pro hac vice)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: Ray.Schrock@weil.com
Ronit.Berkovich@weil.com
Moshe.Fink@weil.com

*Proposed Counsel for Debtors
and Debtors in Possession*

/s/ Edward C. Meade

TENNESSEE VALLEY AUTHORITY
Edward C. Meade
Vera Dygert
400 West Summit Hill Drive
Knoxville, TN 37902
Telephone: (865) 632-7835
Email: ecmeade@tva.gov
vdygert@tva.gov

Counsel for TVA